

TOWN OF READING
BENEFITS FOR TEACHERS & ADMINISTRATORS

BENEFITS AVAILABLE TO REGULAR PART-TIME TEACHERS AND ADMINISTRATORS
(LESS THAN 20 HOURS PER WEEK)

Retirement for Teachers Working 18 or 19 Hours Per Week - Membership in the Massachusetts contributory retirement system is mandatory for a teacher who works 18 or more hours per week. For a new employee hired after July 1, 2001, payroll deductions are at 11 % of payroll unless the employee is transferring from another system at a different percent. An employee does not have a deduction for social security. The employee will have a Medicare tax of 1.45% deducted from payroll and could be Medicare eligible at age 65, if he/she meets the requirements of the Social Security Administration.

Retirement for Teachers Working Less Than 18 Hours Per Week – For teachers who work less than 18 hours per week the Town has adopted a 457 Plan under the Internal Revenue Codes. This means that 7.5% of your gross salary will be deferred and invested in an account in your name at ICMA Retirement Corporation. Employees will not have a social security deduction. All employees are subject to the 1.45 % Medicare tax and could be Medicare eligible at age 65 if he/she meet the requirements of the Social Security Administration

Deferred Compensation Plan - A pre-tax 403(b) Tax Sheltered Annuity may be set up with one of the seven providers designated by the Town. A pre-tax 457 retirement savings plan is available through ICMA Retirement Corporation.

Credit Union - Savings accounts and loans are available through the Credit Union. Payroll deductions may be deposited to a savings account or to pay a loan.

Direct Deposit - Payroll checks are issued bi-weekly and the Town encourages payroll checks to be electronically deposited into an account at any bank.